U.S. Department
of Transportation

**Federal Aviation
Administration**

FEDERAL AVIATION ADMINISTRATION

BUDGET IN BRIEF

Fiscal Year 1992

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OVERVIEW

The President is proposing $9.27 billion for the Federal Aviation Administration's (FAA) aviation programs in FY 1992, a 13.9 percent increase over FY 1991.

There are several important themes around which the FY 1992 budget proposals for the FAA have been structured. These themes reflect the thrusts of the The Aviation Safety and Capacity Expansion Act of 1990 (P.L. 101-508), the Secretary's Statement of National Transportation Policy (NTP), the FAA Strategic Plan, and the concerns raised by the President's Commission on Aviation Security and Terrorism.

Operations

For FAA operations, the FY 1992 request totals $4.46 billion, a 10.4 percent increase over FY 1991. This increased funding will add 450 additional air traffic controllers, bringing our controller work force up to 17,945, 260 additional field maintenance technicians, 136 additional personnel for the flight standards aviation safety inspector work force, 100 additional aircraft certification personnel and 178 additional civil aviation security personnel. Additional staff are also required to implement the aviation industry drug testing rules and the new airman and aircraft licensing caused by the Anti-Drug Abuse Act of 1988.

In addition, the budget provides $69.9 million in additional telecommunication and contracted support costs associated with the commissioning of many new facilities and pieces of equipment acquired as a result of prior year investments.

Facilities and Equipment

The FY 1992 request for Facilities and Equipment (F&E) is $2.7 billion, a 28.9 percent increase over FY 1991. Included in this request are capital needs contained in the new Capital Investment Plan (CIP) scheduled to be released in early March. Projects include the Advanced Automation System (AAS) to upgrade air traffic control (ATC) computer technology, the Voice Switching and Control System (VSCS) to modernize the system's communications network, and the Terminal Doppler Weather Radar (TDWR) and Long Range Radar (LRR) to improve weather services and replace obsolete en-route radar.

Research, Engineering and Development

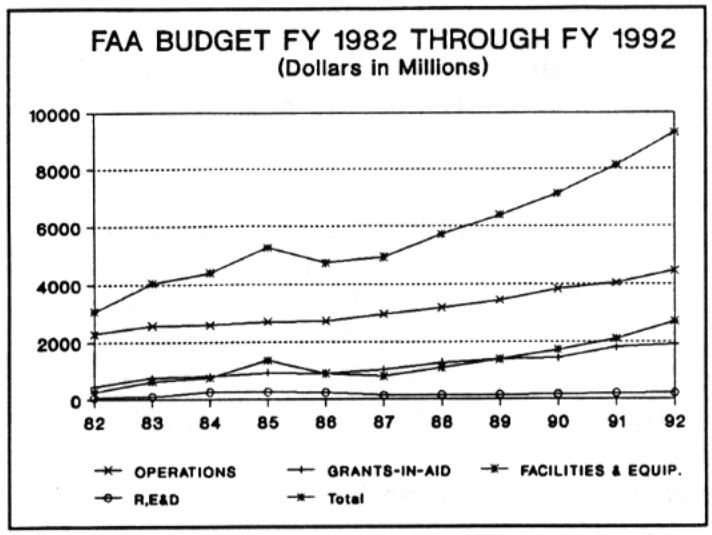
For research, engineering and development, the budget requests $210 million, a 2.4 percent increase over FY 1991. The R,E&D budget focuses on increased initiatives in security technologies, primarily explosive detection, as well as research in the areas of aging aircraft, human factors and aeromedical research, and ongoing development of safety and capacity programs.

Airport Programs

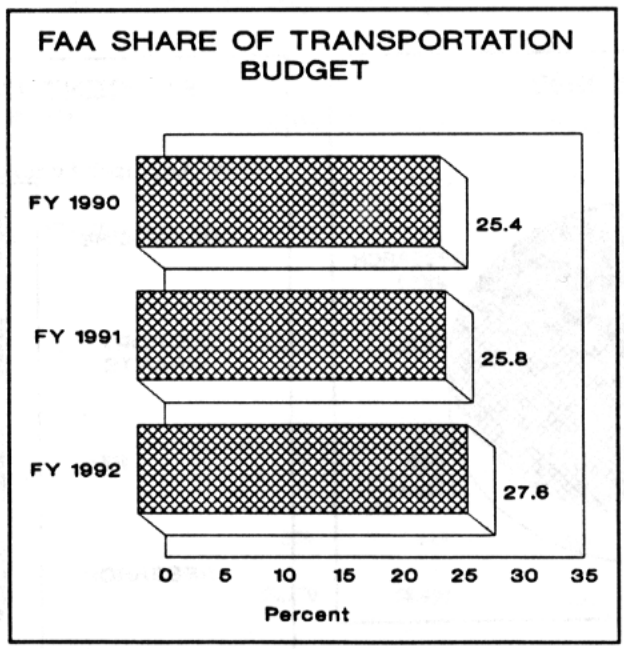
The President's Budget provides $1.9 billion (obligation limitation) in new FY 1992 spending for Federal airport grants, a 5.6 percent increase over FY 1991. This amount will fund formula driven grants for airport development projects at commercial airports, as well as grants to states to improve smaller airports. The Aviation Safety and Capacity Expansion Act of 1990 (P.L. 101-508) authorized the establishment of the passenger facility charge (PFC). The FAA will issue a notice of proposed rulemaking describing how a public agency may be authorized to impose a PFC. The proceeds from PFC's will finance eligible airport-related projects that reserve or enhance capacity, safety or security of the national air transportation system, reduce noise, or furnish opportunities for enhanced competition between or among air carriers. The eventual impact of the PFC translates to an additional billion dollars worth of airport improvement and development resources. The FAA estimates that public agencies may begin collecting fees early in FY 1992.

Airport and Airway Trust Fund

The Airport and Airway Improvement Act of 1982, as amended, authorizes appropriations for fiscal years 1991 and 1992. The Omnibus Budget Reconciliation Act of 1990 revised the fee schedule for the domestic passenger ticket tax from 8 percent to 10 percent; freight waybill tax from 5 percent to 6.25 percent; noncommercial gasoline from $.12 to $.15 per gallon; and noncommercial jet fuel from $.14 to $.175 per gallon. The new fees became effective December 1, 1990. The international departure fee, which changed from $5 to $6 per enplanement, became effective January 1, 1990.



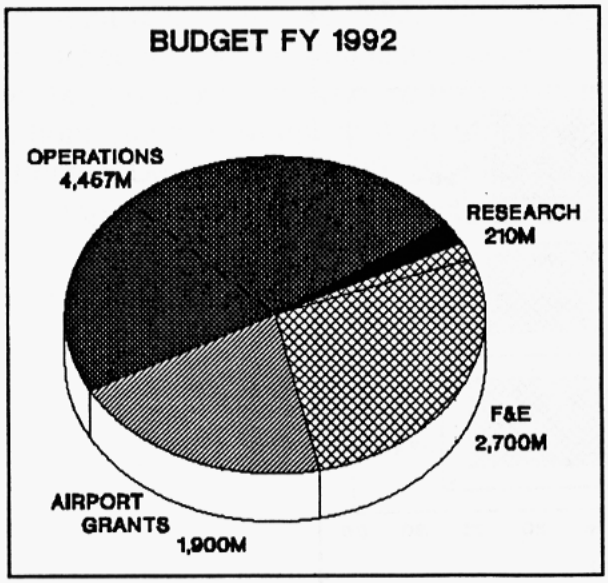
The FAA has seen significant growth in all programs in the last 11 years. For example, in FY 1982, $2.3 billion supported FAA operations. The FY 1992 budget requests $4.46 billion and 51,503 direct FTE to support FAA operations. Grants-in-Aid for airports has risen to $1.9 billion versus $450 million in FY 1982. To modernize and improve the nation's airspace system (NAS) and to improve air traffic control and airway facilities services, the FAA needs $2.7 billion in FY 1992 versus $261 million in FY 1982. The research, engineering and development program must meet the aviation needs of the 21st century. In FY 1992, $210 million is requested to support research in the FAA's major mission areas of safety, security, capacity and efficiency.

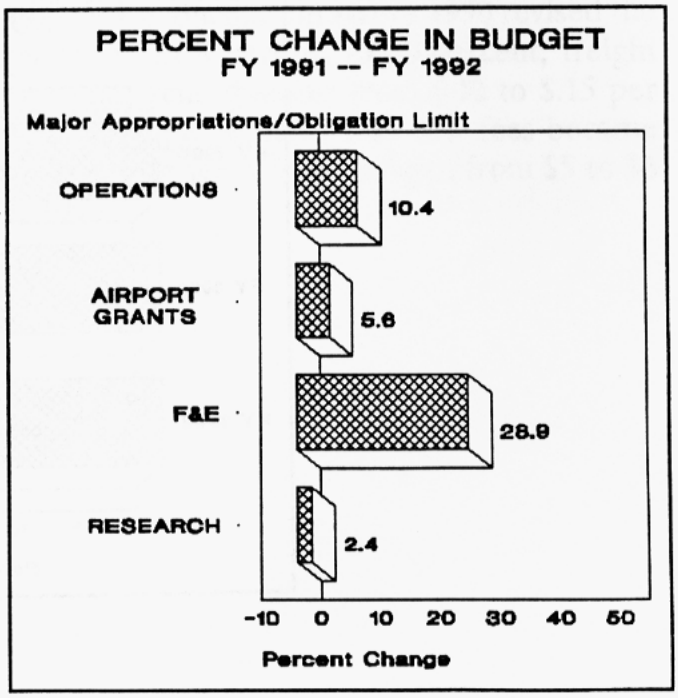


Appropriations Summary of Funds
(Dollars in millions)

Appropriation	FY 1991 Enacted	Increase	FY 1992 Request
Operations	4,037.0	420.0	4,457.0
(General)	(2,034.3)	(282.5)	(2,316.8)
(Trust)	(2,002.7)	(137.5)	(2,140.2)
Grants-In-Aid-Airports (Obligation Limitation)	1,800.0	100.0	1,900.0
Facilities and Equipment	2,095.4	604.6	2,700.0
Research, Engineering and Development	205.0	5.0	210.0
TOTAL	**8,137.4**	**1,129.6**	**9,267.0**
(General)	(2,034.3)	(282.5)	(2,316.8)
(Trust)	(6,103.1)	(847.1)	(6,950.2)
Contract Authority Grants-In-Aid-Airports	1,600.0*	300.0	1,900.0

* net number; result of $200 million rescission in FY 1991.





OVERVIEW

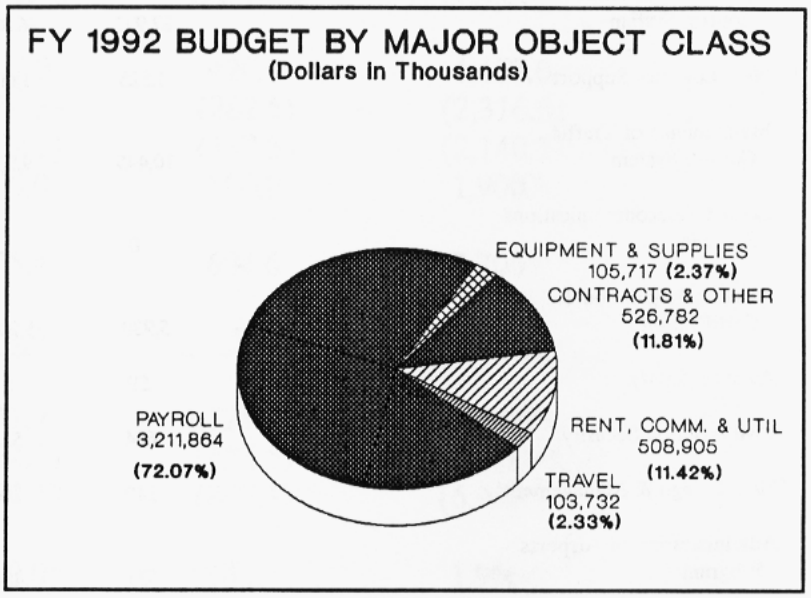
FAA STAFFING LEVELS

	FY 1990 Actual POS.	FTE	FY 1991 Program Level POS.	FTE	FY 1992 Request POS.	FTE
OPERATIONS						
Operation of Traffic Control System	27,933	26,839	27,800	27,650	28,070	28,205
NAS Logistics Support	1,525	1,607	1,592	1,622	1,624	1.654
Maintenance of Traffic Control System	10,445	9,936	10,588	10,297	10,848	10,618
Leased Telecommunications Services	0	0	0	0	0	0
Aviation Regulation & Certification	5,930	5,209	6,424	5,482	6,829	5,876
Aviation Safety	59	63	64	67	64	67
Civil Aviation Security	684	557	848	715	1,026	880
NAS Design & Management	140	206	285	292	304	296
Administration of Airports Program	521	486	521	487	551	528
Direction, Staff & Supporting Services	1,166	1,279	1,180	1,405	1,200	1,415
Human Resource Management	1,398	1,494	1,460	1,555	1,469	1,559
Headquarters Admininstration	395	431	400	421	400	424
Management Initiatives						-19
SUBTOTAL, OPERATIONS	**50,196**	**48,107**	**51,162**	**49,993**	**52,385**	**51,503**
FACILITIES AND EQUIPMENT	1,368	1,299	1,743	1,514	2,143	1,901
RESEARCH, ENGINEERING AND DEVELOPMENT	645	662	668	698	706	728
AVIATION INSURANCE	2	2	2	2	2	2
TOTAL, DIRECT PROGRAM	**52,211**	**50,070**	**53,575**	**52,207**	**55,236**	**54,134**
REIMBURSABLE						
Operations	500	374	494	496	490	490
Facilities and Equipment	53	48	55	55	55	55
Research, Engineering and Development	6	5	6	6	6	6
TOTAL, REIMBURSABLE	**559**	**427**	**555**	**557**	**551**	**551**
GRAND TOTAL	**52,770**	**50,497**	**54,130**	**52,764**	**55,787**	**54,685**

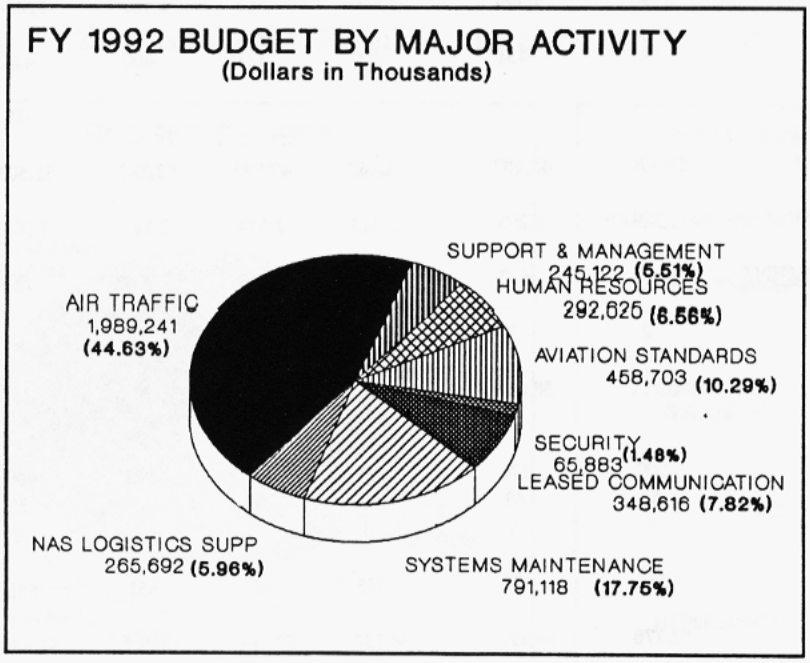
OPERATIONS

The FY 1992 budget for the Federal Aviation Administration's Operations appropriation places continued emphasis on safety, security and efficiency of the national airspace system. In support of this, $4.457 billion is necessary, a 10.4 percent increase above the FY 1991 funding level. The budget includes funding for 52,385 positions, which is a net increase of 1,223 positions above the current level.

Funding increases totalling $370 million will support mandatory wage and price increases to sustain current services requirements in this appropriation, which is over 72 percent payroll. In addition, $49 million will provide program growth in the four major safety critical work forces: controller work force; field maintenance staffing; and safety and security inspectors.



The Operations appropriation budget consists of eleven major program activities which provide essential support to the aviation system. Nine out of ten people in Operations are in safety essential jobs or directly manage those personnel and programs. Other personnel and activities provide the support which is essential to keep spare parts moving, to train personnel, and to prevent fraud, waste, and abuse.

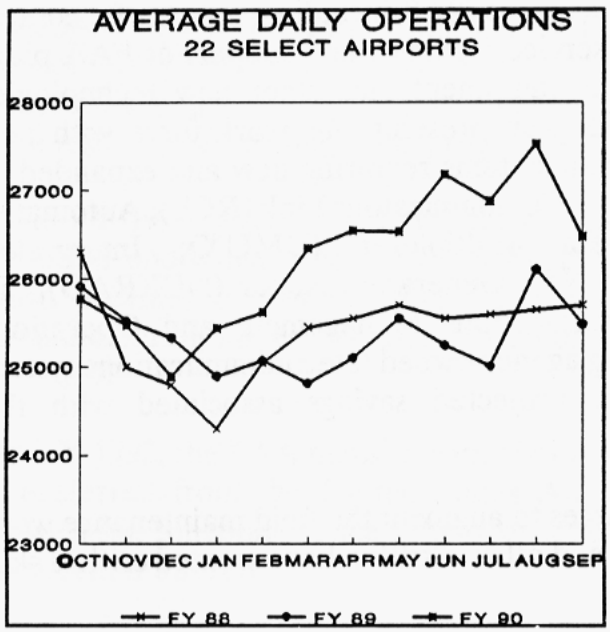


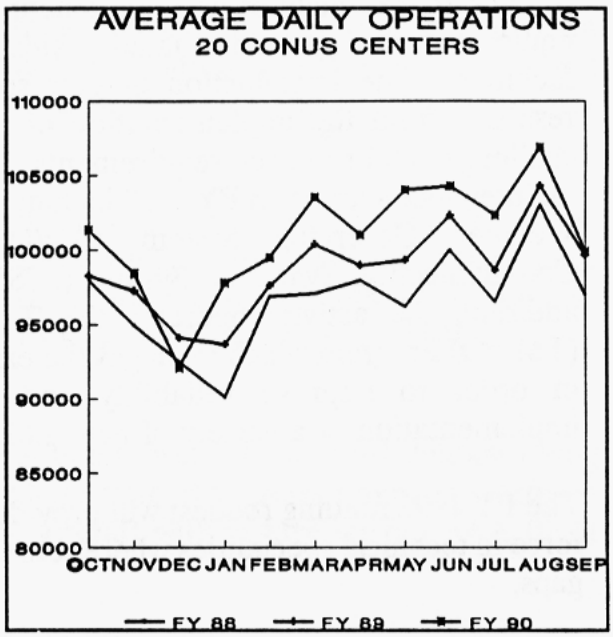
The graph to the left identifies the allocation of funds within the major program activities for FY 1992.

AIR TRAFFIC - 28,070 Positions and $1,989,241

This program provides 24 hour air traffic control service for the United States, U.S. territories and U.S. possessions. With the aid of radar, communications, and other facilities, air traffic control personnel at 22 centers monitor and control en route flights of civil and military aircraft conducted under instrument flight rules to assure safety and to expedite the flow of traffic. Over 400 control towers are operated at airports. Approximately 140 flight service stations (FSS) provide weather and aeronautical information to pilots, process flight plans, and provide in-flight advisory and emergency service.

On board controller work force (CWF) staffing in FY 1992 is proposed to grow by 450 positions, bringing the CWF to 17,945. There are 41 flight service station consolidations planned for FY 1991 and 42 planned for FY 1992. Key air traffic workload indicators for FY 1988-90 are shown in the following graphs:





NATIONAL AIRSPACE SYSTEM (NAS) LOGISTICS SUPPORT - 1,624 Positions and $265,692,000

Workload in this activity is a direct result of ensuring the effective and efficient logistical support of air traffic and air navigational control facilities. The agency has embarked on a program of modernization that uses cradle to grave, life cycle acquisition processes.

OPERATIONS

This is a structured process that allows for the acquisition, maintenance, and operation of NAS equipment in an efficient and economical manner. Approximately 30 percent of the required life cycle spare parts expenditure is funded through the F&E appropriation. The remaining 70 percent of spare parts and routine repair is funded within the Operations appropriation. This activity covers the logistics portion of NAS equipment maintenance and operations necessary to complete a year of the life cycle. In addition this activity funds FAA's rent payments to the General Services Administation.

The FY 1992 funding request will provide $4,953,000 for relocation and expansion of four regional offices into new space.

SYSTEMS MAINTENANCE - 10,848 Positions and $791,118,000

The Systems Maintenance program provides for the maintenance, repair and engineering of over 26,000 facilities and equipment comprising the NAS including: air traffic control equipment, navigation and landing aids, flight service facilities, and support of FAA plant facilities. The introduction of new solid-state equipment and other new technologies resulting from the implementation of the NAS plan presents this work force with new challenges and resource requirements. NAS plan systems requiring new and expanded maintenance support in FY 1992 include: Remote Communicatons Link (RCL); Automated Weather Observing System (AWOS); Data Multiplexer (DMUX); Intergrated Communication Switching System (ICSS); and Next Generation Radar (NEXRAD). In addition, the activity operates the Telecommunications Management and Operations (TM&O) Program which manages the expanding agency-owned telecommunications system in order to improve reliability and achieve projected savings associated with the implementation of a variety of new initiatives.

The FY 1992 funding request will provide resources to augment the field maintenance work force in technical specialities where retirements and other attrition have created critical skill gaps.

LEASED TELECOMMUNICATIONS - $348,616,000

Communication to support and run the aviation system, in the air and on the ground, worldwide is funded by this activity. The FAA leases over 25,000 private line circuits to transmit radar, data and voice signals. While leased telecommunications rates have risen dramatically in the past years, to date, more than $100 million in cost savings/avoidance have been achieved due to implementation and utilization of FAA owned network resources (e.g., Data Multiplexing Network, National Airspace Data Interchange Network, Radio Communications Link, etc.).

This essentially mandatory increase of $60.5 million in FY 1992 will fund: operational and administrative leased telecommunications requirements for existing as well as new NAS Plan initiatives (e.g., Direct User Access Service, Remote Maintenance Monitoring System, circuit backup and special satellite application projects, etc.).

AVIATION REGULATION AND STANDARDS - 6,893 Positions and $458,703,000

Civil aviation flight safety is promoted through this activity by assuring: the airworthiness of aircraft; the competence of pilots, aviators and aviator technicians; the adequacy of flight procedures and air operations; and the evaluation of in-flight performance for compliance with prescribed standards. In addition, the program includes the development, publication, and administration of the safety standards, rules and regulations applicable to airmen, aircraft, and operations involved in all United States civil aviation throughout the world, as well as foreign operations into and over United States territory.

Monitoring signal accuracy emitted by the aids to air navigation, development of flight procedures for use of United States civil and military aviation and foreign air carriers operating in this country, and registration and recordation of airmen and aircraft certificates are also assured through this program.

The FY 1992 request for 136 flight standards positions increases the authorized positions to 4,338, and provides continued support to aviation safety enforcement efforts. The request also provides for an additional 100 aircraft certification personnel (49 engineers, 30 manufacturing inspectors, and 21 support staff), bringing this work force to 1,018 in FY 1992.

In FY 1992, the FAA plans to commission six C-29A flight inspection aircraft that are being transferred from the United States Air Force, along with the Department of Defense inspection function. Once fully operational, these aircraft will replace six old FAA flight inspection aircraft.

AVIATION SECURITY - 1,026 Positions and $65,883,000

The Aviation Security Program operates under the concept of shared responsibilities among air carriers, airports, Federal, State, and local governments. The FAA is responsible for establishing and enforcing regulations, policies, and procedures; identifying potential threats and appropriate countermeasures; and in general, providing overall guidance for the

safety of passengers, baggage, and cargo, and the safeguarding of the aircraft. The air carriers provide screening for passengers and baggage. The responsibility for maintaining a secure ground environment and for providing local law enforcement support for airline and airport security measures belongs to the security personnel of the airport operators.

The FAA conducts foreign airport security assessments on behalf of the Secretary of Transportation. Assessments consist of in-depth analyses of the security measures at airports. Currently, there are approximately 250 foreign airports that meet the assessment requirement. The Civil Aviation Security Program also develops and reviews policies for the security of FAA operations, resources, and facilities, including communications/ telecommunications, automatic information security, personnel, and industrial security programs. The FAA's security program also supports Federal, State, and local law enforcement agencies engaged in the investigation and interdiction of drug smuggling.

The FY 1992 funding request provides an additional 178 positions, bringing the civil aviation security staffing to 1,026 authorized positions.

NATIONAL AIRSPACE SYSTEM DESIGN AND MANAGEMENT - 304 Positions and $24,080,000

This activity covers systems engineering, technical and administrative leadership for the $31 billion (FY 1982-FY 2000) CIP. The program supports Research, Engineering and Development and Facilities and Equipment programs that will lead to development and implementation of a global aviation system designed to exceed user demand for increasing system safety, capacity, and productivity, and dedicated to achieving the mission of the FAA. The program also provides for the development and promulgation of national aviation policy, as it relates to environmental matters and the development and coordination of the overall FAA energy conservation initiatives.

The 1992 funding request will support hazardous waste cleanup activities and global aviation systems.

ADMINISTRATION OF AIRPORTS - 551 Positions and $42,106,000

The Airports Program covers the identification, planning, development, capacity enhancement, and safety certification of the nation's system of public airports to serve the needs of civil aviation in the fifty states and territories. Principal activities in the

program include: planning and promoting efforts to enhance airport capacity and reduce delays; participating in safety efforts at national and international airports; administering grants for the Airport Improvement Program; and certifying the safety of the nation's airports.

Funding in FY 1992 will support additional staff (30 FTP) in line with increasing workload, which will result from legislation implementing passenger facility charges and the expanded level of grant activity due to higher levels of grant program funding.

DIRECTION, STAFF AND SUPPORT SERVICES - 1,200 Positions and $148,491,000

The FAA's essential administrative and infrastructure services are supported in this program. Activities associated with the direction and management, public affairs, international aviation, legal, policy and plans, as well as requirements for payrolls, communications, information resources, supplies and other support services at the Center, regional and overseas offices are funded in the program.

Funding in FY 1992 will support current operations, as well as increases for region/center ADP support and improvements in financial management systems.

HUMAN RESOURCES MANAGEMENT - 1,469 Positions and $292,625,000

The administration of the agency's employee recruitment, development, training, compensation and labor-management relations activities are supported in the Human Resources Management Program. The most important goal of the program is to provide a cadre of highly skilled, competent, and motivated professionals to accomplish ongoing objectives in improving air safety while promoting aviation-related activities. Funding is provided for technical and management training programs; recruitment and placement of personnel; initiation of labor relations activities targeting increased employee participation in the work place; human relations improvements for increased productivity; and administration of the Airway Science Grant Program intended to foster and encourage industry participation in aviation education. This activity includes a payment in excess of $73 million to the Department of Labor for workers' compensation for former FAA employees.

Emphasis in FY 1992 will focus on the continued modernization of the agency's technical training program for air traffic training, applicant testing, screening, and other requirements to accommodate NAS plan technology.

OPERATIONS

HEADQUARTERS ADMINISTRATION - 400 Positions and $32,845,000

This activity supports all of the Washington headquarters administrative functions that establish policy and direct and develop programs, which provide the following administrative services: Policy and Plans, Accounting, Budget, Civil Rights, International Aviation, and Management and Data Systems. The FY 1992 proposed level reflects mandatory wage and inflationary increases.

MANAGEMENT INITIATIVES - (19) Positions and ($2,400,000)

As part of the Administration's Reform 88 program, OMB has emphasized the use of the performance-based management concepts of OMB Circular A-76 and other efforts to streamline and generally improve the efficiency of government without reducing the quality of services, not only for functions that could be competed with the private sector, but also for the development of more efficient in-house operation of governmental functions. We anticipate these savings to be $2,400,000 and 19 positions.

Operations Appropriation
Summary of Funds
(Dollars in Thousands)

	FY 1990 Actual	FY 1991 Estimate	FY 1992 Request	Percent Change
Operation of Traffic Control System	$1,721,701	$1,853,202	$1,989,241	7.3%
NAS Logistics Support*	229,965	189,920	265,692	39.9%
Maintenance of Traffic Control System	702,283	733,145	791,118	7.9%
Leased Telecommunications Services	255,878	288,115	348,616	21.0%
Aviation Regulation and Certification	373,065	403,973	445,488	10.3%
Aviation Safety	12,031	13,000	13,215	1.7%
Civil Aviation Security	40,268	52,782	65,883	24.8%
NAS Design & Management	17,822	23,282	24,080	3.4%
Administration of Airports Programs	36,606	36,920	42,106	14.0%
Direction, Staff & Supporting Services	135,282	138,694	148,491	7.0%
Human Resource Mgmt	270,674	273,049	292,625	7.2%
Headquarters Administration	29,998	31,768	32,845	3.4%
Management Initiatives	____	____	(2,400)	____
TOTAL, Operations	$3,825,573	$4,037,850	$4,457,000	10.4%

* FY 1991 estimate reflects centralized funding of GSA rent costs by the Department. FY 1992 estimate assumes GSA rent transferred back to FAA.

SPECIAL INTEREST WORK FORCE

Controller Work Force

- One of the FAA's highest and most essential priorities is to ensure that flying remains one of the safest and most efficient forms of transportation. The current work force is doing an outstanding job. Safety has not and will not be jeopardized.

- As of December 31, 1990, the controller work force (CWF) employment was 17,142 of which 10,672 controllers were at the full performance level. FAA is committed to achieving a minimum CWF of 17,495 by the end of FY 1991.

- For FY 1992, we will increase the on-board CWF to 17,945 by the end of the fiscal year.

- The 17,495 position level authorized for FY 1991 and 17,945 requested in FY 1992 was based on projections of workload related to forecasted traffic growth. It was also built to accommodate organizational changes, such as airspace reconfiguration, sector changes, addition/expansion of terminal control areas and buffer zones and the delivery schedule for new controller work stations.

- In FY 1990 and FY 1991, greater emphasis was placed on ensuring that a sufficient number of trained controllers were moved from the lower activity Level I, II, and III airport control tower facilities to the higher activity Level IV and V airport control tower facilities and to certain en route centers to correct staffing imbalances. This relocation will continue into FY 1992.

Flight Standards Staffing

- FAA has an increasing need for aviation safety inspectors for FY 1992 and beyond to ensure that airline travel will continue to be the safest means of travel for U.S. citizens.

- FAA has requested 136 new positions in FY 1992 as another increment of planned increases. This will bring the total flight standards work force positions up to 4,338.

Aircraft Certification Staffing

- Increased internationalization of civil aviation industries require increased FAA staffing to provide oversight and obtain commonality in airworthiness design standards, manufacturing, and operations.

- The request includes staffing for increased surveillance and audit of the manufacturing industry, both in the U.S. and abroad, for more engineering involvement with flight standards inspectors associated with aging aircraft initiatives, and for increased workload associated with aircraft modification activity and new technology, i.e., the tiltrotor/power lift aircraft.

- During FY 1992, the FAA will hire an additional 100 aircraft certification engineers, inspectors and support staff, reaching an end-of-year employment level of 926.

Field Maintenance Staffing

- Field maintenance technicians are responsible for maintaining and repairing facilities and equipment comprising the National Airspace System. The NAS includes the following major types of facilities: navigation and landing aids, radar, automation systems, and communication equipment. The work force is responsible for the maintenance of physical structures and grounds.

- FAA will increase the end-of-year employment level by 160 for a new FY 1992 end-of-year total of 9,160 in the field maintenance work force, which is responsible for maintaining over 26,000 facilities. Of the 9,160 about 65 percent are electronics technicians.

Civil Aviation Security Staffing

- In FY 1992, FAA will reach an end-of-year employment level of 975 in the Civil Aviation Security work force, an increase of 175 over FY 1991 end-of-year level.

- Aviation security personnel safeguard passengers, crew, aircraft, and airports from the threat of violence from hijacking, sabotage, and other criminal acts. These initiatives include implementation of effective security programs, increased use of Federal Air Marshals (FAM's) and enhanced assessment and monitoring of foreign/domestic airports and air carriers.

Some of these agents will perform Federal Air Marshal duties, and others will be utilized to support the increased level of foreign airport assessments, U.S. and foreign airport/air carrier station inspections and assessments (including inspection and enforcement activity to ensure compliance with security requirements), review and approval of foreign air carrier security programs, implementation of explosives detection security programs, development of critical terrorist threat information through intelligence analyses, and protection of those traveling in air commerce.

SPECIAL INTEREST STAFFING

End-of-Year Employment

	1987	1988	1989	1990	1991 EST	1992 EST
Controller Work Force	15,433	16,436	16,832	17,226	17,495	17,945
Flight Standards Work Force	2,648	2,909	3,193	3,479	3,546	3,682
Aircraft Certification Work Force	707	733	751	806	826	926
Civil Aviation Security	404	478	511	627	800	975
Field Maintenance Work Force	8,667	8,646	8,687	8,904	9,000	9,160

GRANTS-IN-AID TO AIRPORTS

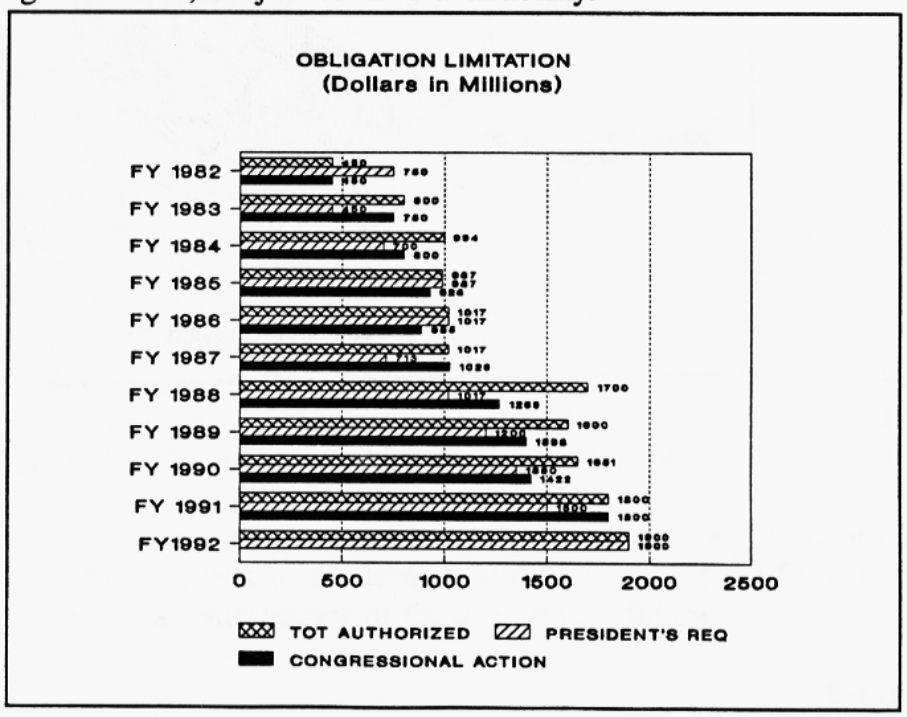
The FY 1992 request for a $1.9 billion obligation limitation will fully fund the formula portion of the program. The $1.9 billion also provides an 8.5 percent increase in discretionary funds over that available in FY 1991.

A statutory change to the discretionary portion of the grant program authorizes support to military airports for civil aviation purposes. The Aviation Safety and Capacity Expansion Act of 1990 includes a provision to provide not less than 1.5 percent of AIP (discretionary) funds to sponsors of current or former military airports. This provision is authorized for FY 1991 and FY 1992 and covers up to eight airports. An estimated $28.5 million will be available in FY 1992 under this provision.

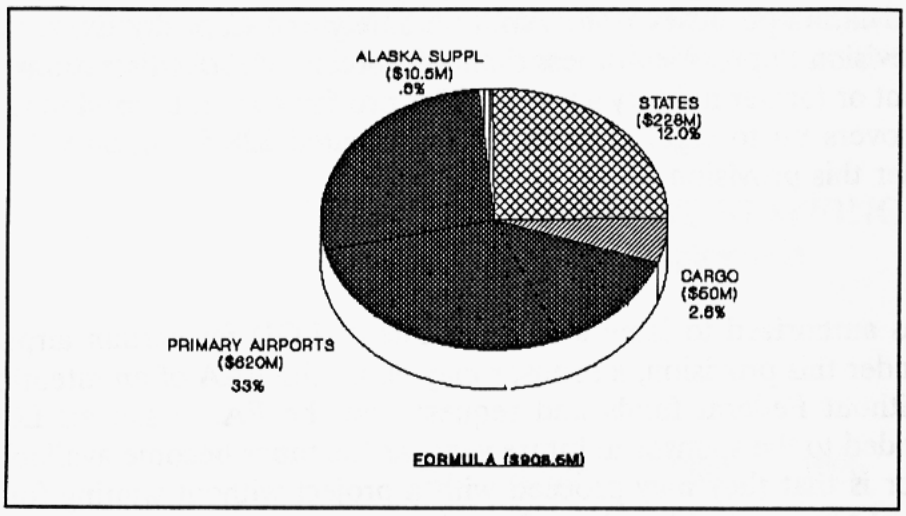
Letter of Intent

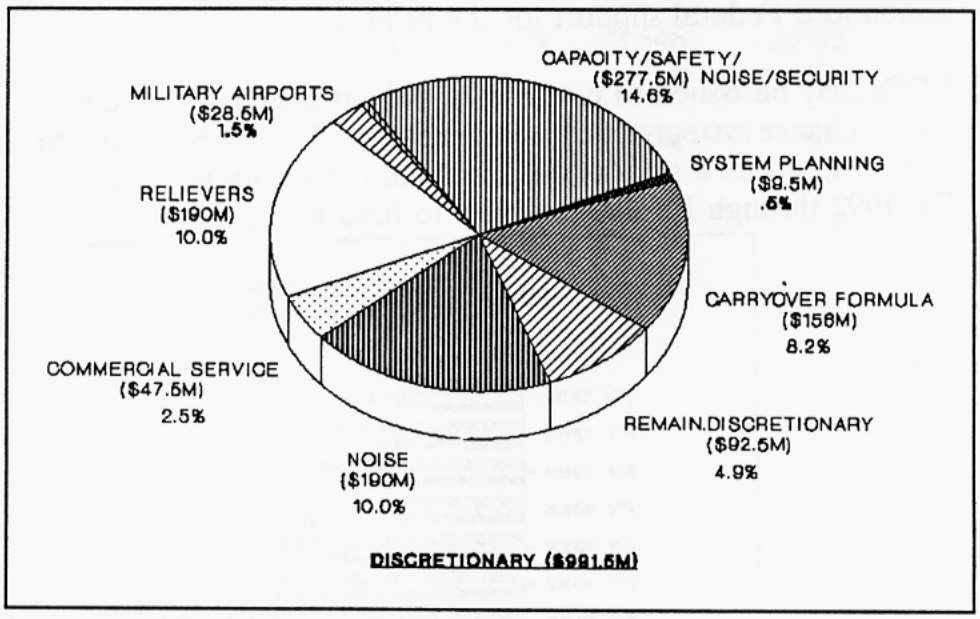
In FY 1988, the FAA was authorized to issue a letter of intent (LOI) for certain airport development projects. Under this provision, a sponsor may notify the FAA of an intention to carry out a project without Federal funds and request that the FAA issue an LOI. Reimbursements are provided to the sponsor in future years as the funds become available. The benefit to the sponsor is that they may proceed with a project without waiting for a grant, and, they may receive more favorable private financing (e.g., bond ratings) due to the announced Federal support for the project.

LOI's may be issued to cover work only at primary and reliever airports and the projects must enhance system-wide airport capacity. The FAA's commitments to date will reimburse airport sponsors a total of $857.7 million (formula and discretionary) from FY 1992 through FY 1999, subject to fund availability.



AIRPORT IMPROVEMENT PROGRAM
FY 1992 FORMULA/DISCRETIONARY GRANTS
Airport and Airway Safety and Capacity Expansion Act of 1987





FACILITIES AND EQUIPMENT

For FY 1992, $2.7 billion, a 29 percent increase ($605 million) over FY 1991, is requested to fund planned facilities and equipment procurement and installations. The funding requested for FY 1992 supports the FAA's comprehensive plan to modernize and improve the National Airspace System (NAS) and to improve air traffic control and airway facilities services. To this end, the funds requested would provide for continued implementation of NAS modernization projects such as the Advanced Automation System (AAS) designed to upgrade the system's air traffic control computer technology and the Voice Switching and Control System (VSCS) designed to modernize the system's outdated communications network.

At the same time, the requested funds would provide for maintenance of the current infrastructure by funding the projects needed to keep today's systems operating until the late 1990's, when concurrent modernization efforts can put new equipment in place. Among numerous short-term requirements for funding are the Interim Support Plan (ISP) which will overhaul outdated air traffic control computers and radars, the consolidation and expansion of radar approach control facilities for all of southern California, relocation of radar approach control for Chicago's O'Hare Airport and surrounding airports, and replacement of obsolete radio control equipment at various control towers so that controllers can communicate with pilots without interruption. The requested funding would also provide FAA radar and related equipment for new capacity-enhancing airport facilities at Dallas/Ft. Worth and Denver, which will benefit not only the surrounding areas, but also improve traffic flow throughout the country.

Major FY 1992 programs are: ($ in millions)

Advanced Automation System (AAS)	$558
Voice Switching and Control System (VSCS)	159
Interim Support Plan (TSP)	136
Systems Engineering and Support Services	126
Long Range Radar (LRR)	85
Replace Air Traffic Control Facilities	70
Microwave Landing System (MLS)	55
Dallas/Fort Worth Metroplex Expansion	54
ARTCC Improvement/Plant Modernization	50
Chicago Terminal Radar Approach Control Relocation	48
FAA Support of New Denver Airport Establishment	45

The Facilities and Equipment appropriation budget consists of eight major budget activities, which fund the FAA's efforts to modernize and improve air traffic control systems and airway facilities services. Summaries of those activities follow.

AIR ROUTE TRAFFIC CONTROL CENTERS - $1,104,165,000

Funding will support the multiyear long range radar program to replace obsolete hardware with new radars; replace outdated Radar Microwave Link (RML) systems with new Radio Communications Link (RCL) to provide increased reliability of transmission; provide improvements to aviation weather services including Next Generation Weather Radar (NEXRAD); and continue improvements in radar coverage and maintainability.

The advanced automation system (AAS) will progress toward an FY 2000 completion date. Total requirements for this $4,453 million multiyear program will result in improvement of the safety and efficiency of the NAS, provide the ability to handle the growing air traffic projected beyond the year 2000, and improve the productivity of the air traffic controllers. Delivery of Peripheral Adapter Module Replacement Item systems (PAMRI) will continue in Air Traffic Control Centers (ARTCC) with testing and acceptance of already delivered systems. Software design and testing will continue. Factory acceptance tests will begin on the Initial Sector Suite System (ISSS).

The Voice Switching and Control System (VSCS) is an integrated air/ground and ground/ground voice communication system that will meet future operational and maintenance requirements. During FY 1992, acceptance testing is planned to be completed and operational test and evaluation of the first prototype will be completed.

Other major initiatives continuing in FY 1992 include ARTCC improvements/plant modernization; upgrade to the Traffic Management System (TMS); improvements to en route communications and control facilities; and continuing FAA's ongoing acquisition of various telecommunication systems thus reducing the agency's reliance on leased lines.

AIRPORT TRAFFIC CONTROL TOWERS - $701,750,000

FAA provides various air traffic control services around busy airports. Initiatives in this activity will reduce delays and improve safety at congested airports. Funding will provide continued support for the establishment and improvement of the Airport Surveillance Radar (ASR) program; establish terminal aviation weather radar capability to detect microbursts and related windshear at additional airports; expand the Mode S surveillance capability; continue the precision runway monitor program to increase airport capacity; add automation enhancements to the Airport Surface Detection Equipment (ASDE) system to prevent and detect runway incursions and accidents; and complete the Automation Radar Terminal System (ARTS III A) program which provides conflict alerts between aircraft.

Consolidation of five Los Angeles Basin Terminal Radar Approach Control facilities (TRACON); the relocation of the Chicago TRACON; and the continued expansion of the Dallas/Fort Worth Metroplex program will result in enhanced safety and reduced delays by improving airspace utilization and increasing capacity.

Other initiatives in this activity include the Remote Maintenance Monitoring system (RMM), which will enable NAS subsystems to be monitored and controlled from central locations, thus achieving economies and efficiencies for the maintenance of various equipment and systems; replacement and establishment of terminal air traffic control tower facilities to meet current and future operational requirements; and upgrade airport traffic towers and TRACON's which require modernization. Establishment of the new Denver airport will require continued FAA support for facilities and equipment. The fourth year of a multiyear Interim Support Plan (ISP) will support current systems until the NAS plan projects are complete. In FY 1992, the ISP will provide principally long-range radar upgrades and airport surveillance radar establishments.

FLIGHT SERVICE FACILITIES - $77,054,000

The Flight Service Station (FSS) modernization program provides for an automated national aeronautical and meteorological information dissemination system to replace the labor-intensive manual technique of providing flight services. This automation program led to the commissioning of Model 1 full capacity Automated Flight Service Stations (AFSS) and the consolidation of existing FSS's. The second phase of automation involves a retrofit of the original Model 1 full capacity systems and the installation of other upgraded systems in the AFSS's.

Installation of Automated Surface Observing Systems (ASOS) at FSS locations and towered airports will continue in FY 1992. This program provides upgraded weather information services at locations where existing FSS's are scheduled to be consolidated or relocated to an AFSS.

AIR NAVIGATION FACILITIES - $179,650,000

The continuing program to upgrade Very High Frequency Omnidirectional Radio Range (VOR) facilities with Distance Measuring Equipment (DME) requires additional funding in FY 1992. VOR and DME facilities are major components of the air navigation system and are used for en route air navigation and approach purposes by pilots to conduct safe flights and landings.

The FY 1992 budget continues work on the Microwave Landing System (MLS), the Instrument Landing System (ILS), and other navigational air programs such as the Approach Lighting System Improvement Program (ALSIP), Low Level Windshear Alert System (LLWAS), and Runway End Identification Lights (REIL).

HOUSING, UTILITIES AND MISCELLANEOUS FACILITIES -$378,097,000

This activity includes general facility support requirements which apply to a wide range of FAA installations. Continued funding support is required for the Computer Resources Nucleus (CORN) project, which will provide FAA with additional Host resources to accommodate increased operational and administrative programs. FAA has continuing requirements to modernize and improve buildings and equipment in order to extend service life, reduce energy consumption and improve safety. Special initiatives such as fuel storage tank replacement and hazardous materials management are necessary to comply with state and Federal regulations. A systems engineering and integration contract provides technical and management support in all phases of NAS Plan implementation.

Other programs funded under this activity are: Automated Documentation Development and Maintenance (ADDM) to provide management and coordination support to the NAS modernization program; NAS management automation program to facilitate planning, scheduling and tracking of activities required to implement the program defined in the NAS Plan through the year 2000; renovation of airmen and aircraft registry reporting system which includes support of the nation's drug control policy; National Airspace Integrated Logistics Support (NAILS) to minimize the life cycle costs associated with the acquisition and maintenance of major NAS systems and equipment; and logistics support services to manage the contracting workload associated with the NAS modernization effort.

AIRCRAFT AND RELATED EQUIPMENT - $59,720,000

Requirements for this activity include the acquisition and modification of aircraft which support the agency flight inspection of navigational aids, training, support, and research and development functions, and the procurement and installation of equipment related to the mission-readiness of the FAA fleet of aircraft. Included is funding to procure and equip aircraft for the support of international flight inspection requirements; cockpit voice and flight data recorders; Mode S transponders for agency aircraft to provide data link communications and interface capability with TCAS II installations; and the procurement and installation of a Phase II aircraft simulator and other training devices which provide state-of-the-art flight crew training.

FACILITIES & EQUIPMENT

DEVELOPMENT, TEST, AND EVALUATION - $27,900,000

The FAA owns and operates test and evaluation facilities, research and development (R&D) facilities, administrative and storage facilities, as well as numerous project test sites. Funding is requested for the current lease agreement for the Technical building and general airport improvements at the Atlantic City airport; and construction of a fuels research facility, and a nondestructive analysis laboratory.

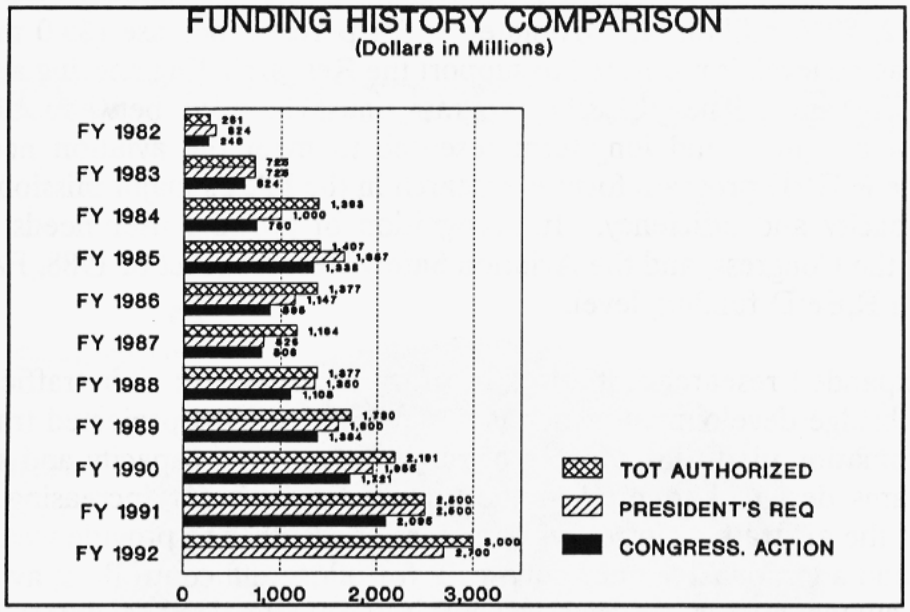
PERSONNEL AND RELATED EXPENSES - $171,664,000

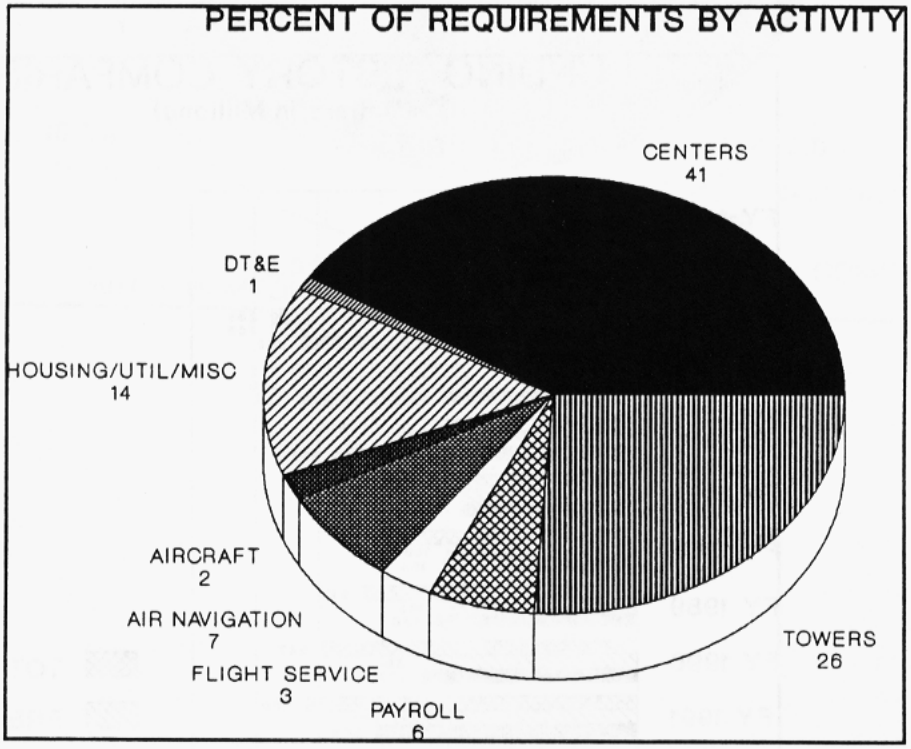
Funding for all personnel compensation, benefits, travel and related expenses associated with the Facilities and Equipment programs are budgeted under one consolidated activity. Funds include four basic work areas which require direct FAA personnel who are primarily responsible for NAS equipment installation and implementation. The direct work specialties include: electronics, civil and mechanical engineers; electronics technicians; quality control specialists; and flight inspection personnel. In addition, FAA supplements its work force with a Technical Support Services Contract (TSSC) which allows the optimization of workload requirements consistent with NAS Plan implementation schedules.

In FY 1992 the FAA seeks 400 additional positions in support of the F&E program, 219 for field engineering and installation, and 181 for various program management and oversight functions. The 219 positions are requested to undertake field coordination and engineering, installation, testing and evaluation efforts of NAS procured equipment in support of planned program requirements. The additional 181 positions are required for program management, including acquisition activities, planning integrated logistics support and oversight functions associated with the NAS system.

SUMMARY OF REQUIREMENTS BY ACTIVITY

Activity	1992 Request
1. Air Route Traffic Control Centers	
a. Long Range Radar	$ 177,058,000
b. Automation Equipment	608,650,000
c. Other Center Facilities	318,457,000
	$ 1,104,165,000
2. Airport Traffic Control Towers	
a. Terminal Area Radar	123,207,000
b. Terminal Area Automation	193,000,000
c. Other Tower Facilities	385,543,000
	701,750,000
3. Flight Service Facilities	
a. Flight Service Stations	77,054,000
b. International Flight Service Stations	0
	77,054,000
4. Air Navigation Facilities	
a. VORTAC	37,681,000
b. Low and Medium Frequency Facilities	0
c. Instrument and Visual Landing System	141,969,000
	179,650,000
5. Housing, Utilities, and Miscellaneous Facilities	
a. Housing	5,500,000
b. Utilities and Miscellaneous Facilities	124,035,000
c. Provide Various Air Navigational Aids/Air Traffic Control Facility Improvements and Support	248,562,000
	378,097,000
6. Aircraft and Related Equipment	
a. Facilities and Flight Inspection	44,185,000
b. Training	13,035,000
c. Logistics, Job Performance, and Other	2,500,000
	59,720,000
7. Development, Test and Evaluation Facilities	
a. Buildings, Construction, and Improvements	14,200,000
b. Equipment	13,700,000
	27,900,000
8. Personnel Compensation, Benefits, and Travel	
a. Establishment/Improvement of Facilities	158,383,000
b. Flight Inspection	1,955,000
c. Factory Inspection/Contract Support	7,878,000
d. Aeronautical Center	3,448,000
	$ 171,664,000
TOTAL, ALL ACTIVITIES	**$2,700,000,000**

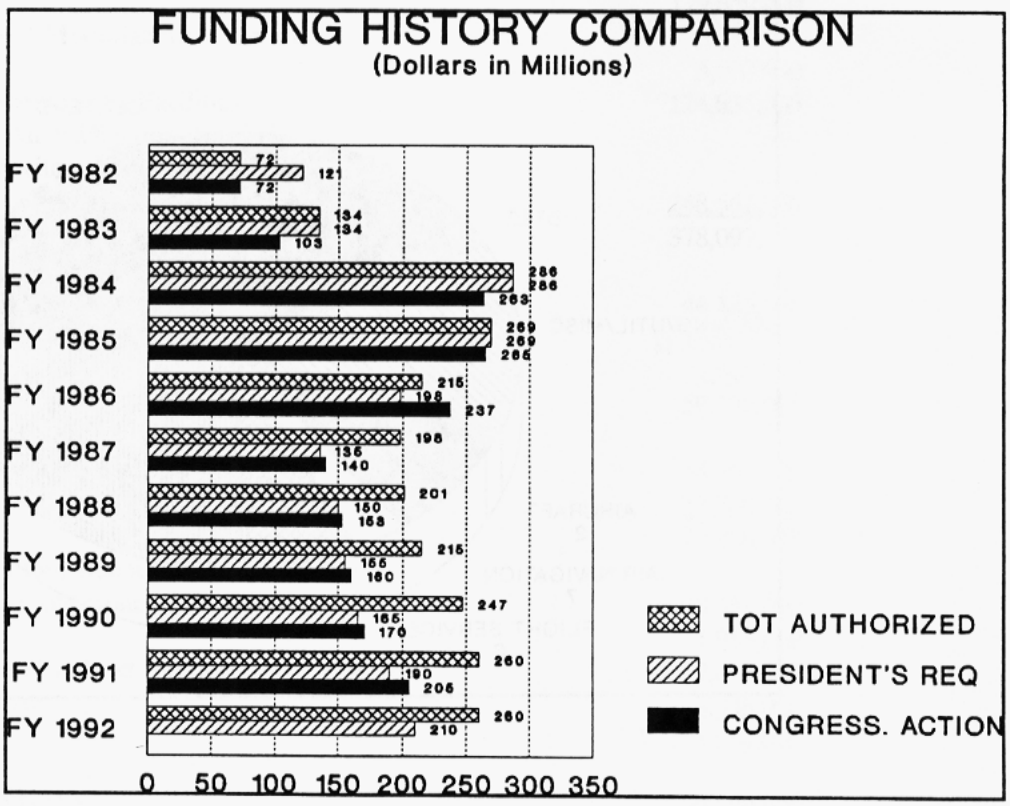

FUNDING HISTORY COMPARISON
(Dollars in Millions)
FY 1982
FY 1983
FY 1984
FY 1985
FY 1986
FY 1987
FY 1988
FY 1989
FY 1990
FY 1991
FY 1992
0
1,000
2,000
3,000
TOT AUTHORIZED
PRESIDENT'S REQ
CONGRESS. ACTION

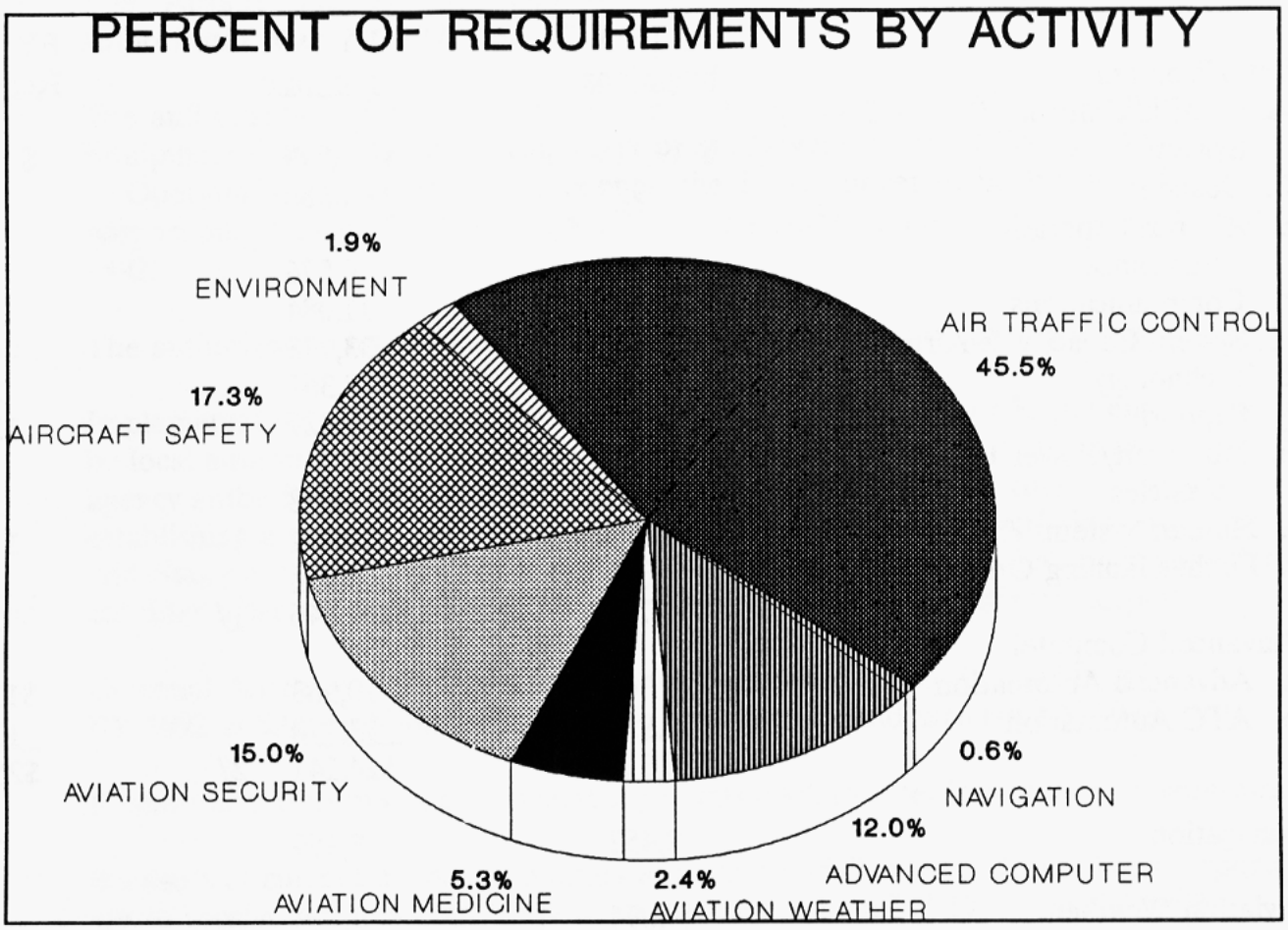

PERCENT OF REQUIREMENTS BY ACTIVITY
CENTERS
41
DT&E
1
HOUSING/UTIL/MISC
14
AIRCRAFT
2
AIR NAVIGATION
7
FLIGHT SERVICE
3
PAYROLL
6
TOWERS
26

RESEARCH, ENGINEERING AND DEVELOPMENT

For FY 1992, $210 million, approximately a 2.4 percent increase ($5.0 million) over the FY 1991 enacted level, is requested to support the Research, Engineering and Development (R,E&D) program. The R,E&D program must balance between near-term, rapid development activities, and long-term research to meet the aviation needs of the 21st century. The R,E&D program focuses research in the FAA's major mission areas of safety, security, capacity and efficiency. In recognition of growing user needs of the aviation community, the Congress, and the Aviation Safety Research Act of 1988, FAA is proposing an increased R,E&D funding level.

New and expanded research initiatives in program areas are: Air traffic control (ATC) automation bridge development which is designed to support projected traffic growth and provide automation platforms capable of running improved capacity and safety functions; ATC programs designed to provide the knowledge base for increasing the safety and efficiency of the air traffic control system; aviation weather to provide weather forecasting techniques and additional weather advisories for pilots and controllers; aviation medicine to conduct human factors research; aircraft safety technology to detect new and exotic explosives, fire safety research and aging aircraft non-destructive evaluations; and noise abatement.




PERCENT OF REQUIREMENTS BY ACTIVITY
1.9%
ENVIRONMENT
AIR TRAFFIC CONTROL
45.5%
17.3%
AIRCRAFT SAFETY
15.0%
AVIATION SECURITY
0.6%
NAVIGATION
12.0%
ADVANCED COMPUTER
5.3%
AVIATION MEDICINE
2.4%
AVIATION WEATHER

SUMMARY OF REQUIREMENTS BY ACTIVITY/PROGRAM

Activity/Program	FY 1990 Obligations	FY 1991 Program		FY 1992 Request
1. Air Traffic Control				
a. System	$ 19,716	$ 12,999		$ 8,846
b. Beacon	995	1,380		269
c. Aircraft Separation Assurance	9,992	10,576		0
d. Communications	14,862	11,084		11,801
e. System Capacity & Airport	37,677	33,773		40,433
f. Technology	6,748	8,362		2,673
g. Support	10,453	7,827		13,341
h. Rotocraft/Power Lift Vehicles	4,857	4,018		5,206
i. Human Systems & Operations	9,096	10,731		11,842
j. Flight Planning Optimization	363	1,096		623
	$114,759	$101,846	1/	$95,034
2. Advanced Computer				
a. Advanced Automation	7,362	10,963		$13,180
b. ATC Automation	10,955	13,178		12,051
	$18,317	$24,141	2/	$25,231
3. Navigation	2,452	3,359		1,209
4. Aviation Weather	14,094	7,739		5,169
5. Aviation Medicine	8,422	6,473		11,069
6. Aircraft Safety/Security	38,226	59,042	1/	68,288
7. Environment	1,978	2,400		4,000
TOTAL, ALL ACTIVITIES	$198,248	$205,000		$210,000

The FY 1991 program has been adjusted to: (1) shift the funding for Wichita State University to the appropriate activity (from activity 1 to activity 6); (2) reflect adjustments to fund the ATC Automation Bridge Development program. Funding for Airport Surface Traffic Automation (ASTA) [Airport Movement Area Safety System (AMASS)] is currently being proposed through reprogramming. This change is not reflected in the FY 1991 program as distributed above, but is referenced in the R,E&D FY 1992 budget. The FY 1992 request column reflects a realignment of projects for better categorization by subactivity.

AIRPORT AND AIRWAY TRUST FUND

- The Airport and Airway Improvement Act of 1982, as amended, provided authorizations for FY 1991 and 1992.

- The authorizations for FAA Airport Improvement Program (AIP), Facilities and Equipment (F&E), Research, Engineering and Development (R,E&D), and a portion of Operations provide for 75 percent of the FAA budget to be financed from the Airport and Airway Trust Fund (AATF). This authorization expires September 30, 1992.

- The authorization legislation also provided the following special provisions:

  Implementation of Passenger Facility Charges (PFC) of $1, $2, or $3 per enplanement by local authorities at commercial service airports. The Secretary may grant a public agency authority to impose a fee after July 1, 1991, if (1) a final rule has been made establishing a program for reviewing airport noise and access restrictions on Stage 2 and Stage 3 aircraft and (2) a notice of proposed rulemaking has been issued to consider more efficient allocations of existing capacity at high density airports.

  Essential Air Service (EAS) is to be funded from the AATF beginning in FY 1992 at $38.6 million. This funding level is to extend through FY 1998.

  Procurement reform was approved that permits FAA to enter into multi-year contracts.

  Sponsors of current or former military airports for civil aviation (up to eight airports) are to receive not less than 1.5 percent of AIP funds in FY 1991 and FY 1992.

  Eliminates the "penalty clause" enacted in 1982 which had required a reduction in the amount of Trust Fund money used to support FAA operations and maintenance when appropriations for FAA capital improvement programs fell below authorized levels.

  Requires DOT to initiate a rulemaking procedure to reform slot allocations at high density airports and provide opportunities for new air carriers.

  Requires FAA to develop auxiliary flight service stations in certain areas.

  Extends the State Block Grant Program for one year.

  Requires an Environmental Impact Statement and safety studies for the Expanded East Coast Plan, which details air traffic routings.

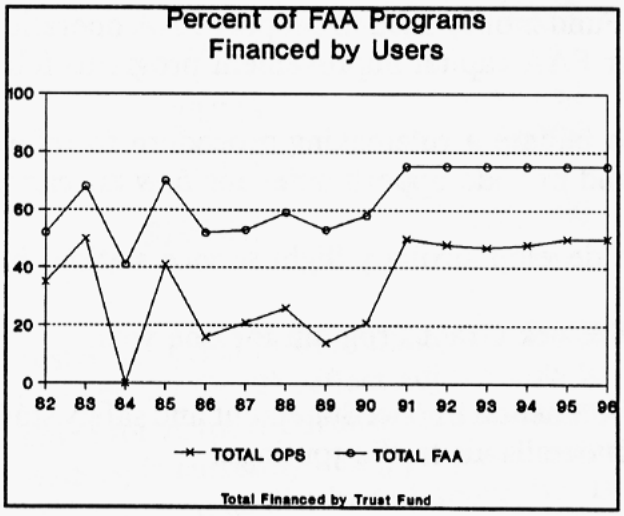
- The Omnibus Budget Reconciliation Act of 1990 (P.L. 101-508) revised the fee schedule for four of the five revenue elements of the AATF effective December 1, 1990.

  Domestic passenger tickets: from 8 percent to 10 percent
  Freight waybill: from 5 percent to 6.25 percent
  Noncommercial gasoline: from $0.12 to $0.15 per gallon
  Noncommercial jet fuel: from $0.14 to $0.175 gallon
  International departure: remains the same at $6 per enplanement

- The effect of the December 1990 increases compared to old rates yields $723 million in additional FY 1991 revenue (10 months) and $1.1 billion in FY 1992.

- During the final stages of the drafting of the Omnibus Budget Reconciliation Act by Congress, a technical error was made in the allocation of the new AATF revenues. It had been the intent of Congress to apply the user fee increases through December 1992 to reduce the overall budget deficit. However, technical changes needed to assign certain aviation user fees to the general fund for deficit reduction purposes were inadvertently omitted. The unintended result is to increase the amounts in the AATF by $1.9 billion, which in turn shows up as increasing the uncommitted balance.

  If the revenue increases had not been deposited in the AATF, the uncommitted balance would decrease from $7.1 billion at the end of FY 1991 to $5.9 billion at the end of FY 1992, consistent with our National Transportation Policy to reduce Trust Fund balances. However, with the revenue sources increased by 25 percent and credited to the AATF, and if no change is made to credit the increases to deficit reduction the uncommitted balance is forecast to increase from $7.8 billion at the end of FY 1991 to $7.7 billion at the end of FY 1992.

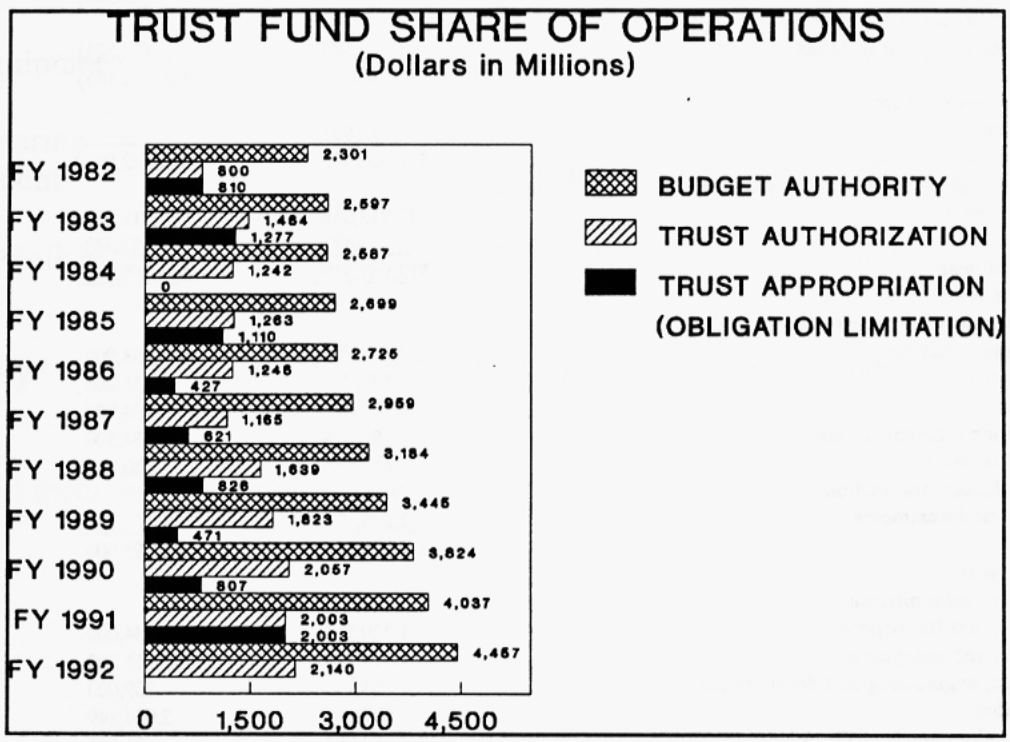


TRUST FUND SHARE OF FAA COSTS

- The costs of operating and modernizing the national airway system should be borne by the user.

- Approximately 58 percent of FAA's total costs over the past ten years (FY 1982 through FY 1991) have been funded from the Trust Fund. Because of statutory provisions, approximately 27 percent of FAA's operating expenses have been financed from the Trust Fund.

- The estimated Trust Fund uncommitted balance was $7.4 billion at the end of FY 1990. The balance is estimated to be approximately $7.8 billion by the end of FY 1991 and $7.7 billion by the end of FY 1992.



Amounts Available for Appropriation
(Dollars in Thousands)

	FY 1990	EST FY 1991	EST FY 1992
Unappropriated balance, start of year	$ 9,594,669	$10,632,625	$11,162,040
Revenue	4,945,187	6,295,600	6,921,900
Total available for appropriation	$14,539,856	$16,928,225	$18,083,940
Appropriations:			
Facilities and equipment	(1,721,171)	(2,095,407)	(2,700,000)
Research, engineering and development	(170,163)	(205,000)	(210,000)
Grants-in-aid for airports:			
Appropriation to liquidate contract authority	(1,190,000)	(1,400,000)	(1,520,000)
Trust fund share of FAA operations	(807,181)	(2,002,749)	(2,140,250)
Essential Air Service			(38,600)
GSA Rent		(28,508)	
Department of Commerce: NOAA, operations, research, and facilities	(29,583)	(34,521)	(35,389)
Total appropriations	($3,918,098)	($5,766,185)	($6,644,239)
Adjustments in expired, restored from unappropriated receipts	10,867	—	—
Unappropriated balance, end of year	$10,632,625	$11,162,040	$11,439,701
Unexpended balance brought forward-start of year:			
U.S. securities (par)	12,913,048	14,311,532	15,259,182
Cash	24,471	43,528	20,000
Balance of fund, start of year	$12,937,519	$14,355,060	$15,279,182
Cash income during the year:			
Government receipts from excise taxes:			
Passenger ticket tax	$ 3,218,773	$ 4,358,900	$ 4,931,700
Waybill tax	177,772	235,900	261,600
Fuel tax	140,653	134,700	138,700
International departure tax	180,826	254,800	272,700
Refund of taxes	(17,863)	(20,000)	(20,000)
Intrabudgetary transaction:			
Interest on investments	1,245,025	1,331,300	1,337,200
Total annual income	$ 4,945,187	$ 6,295,600	$ 6,921,900
Cash outlay during the year:			
Federal Aviation Administration:			
Grants-in-aid for airports	1,220,154	1,434,000	1,575,000
Facilities and equipment	1,317,215	1,661,300	1,771,400
Research, engineering and development	153,508	209,000	220,000
Operations	807,186	2,004,149	2,140,250
Department of Commerce: NOAA	29,583	34,521	35,389
Essential Air Service			23,160
GSA Rent		28,508	
Total annual outlay	$ 3,527,646	$ 5,371,478	$ 5,765,199
Unexpended balance carried forward-end of year:			
U.S. securities (par)	14,311,532	15,259,182	16,415,883
Treasury balance	43,528	20,000	20,000
Balance of fund, end of year	$14,355,060	$15,279,182	$16,435,883
Commitments against unexpended balances:			
Appropriated but not expended	(3,722,435)	(4,117,142)	(4,996,182)
Committed to future appropriations to liquidate outstanding obligations (contract authority)	(2,185,919)	2,585,919)	2,965,919)
Unobligated balance of contract authority	(1,000,442)	(800,442)	(800,442)
Uncommitted balance, end of year	$ 7,446,264	$ 7,775,679	$ 7,673,340

FISCAL YEAR 1991 FUNDING

AMOUNTS AVAILABLE IN FY 1991
(Dollars in Thousands)

	FY 1991 President's Budget	FY 1991 Enacted	Difference
Operations	$4,087,700	$4,037,000	-$ 50,700
General	1,241,700	2,034,251	+792,551
Trust	1,286,000	2,002,749	- 843,251
Grants-in-Aid to Airports Obligation Limitation	1,500,000	1,800,000	+300,000
Facilities and Equipment	2,500,000	2,095,407	-404,593
Research, Engineering and Development	190,000	205,000	+15,000
Total Amounts Available	$8,277,700	$8,137,407	$-140,293
Contract Authority*	$1,800,000	$1,600,000	-$200,000

*FY 1991 enacted includes $200 million rescission.